

**ALLOWABLE AND UNALLOWABLE COSTS
USDA GUIDELINES 2004 - 2005**

- 1. Needs Assessments, Research and Evaluation**
- 2. Nutrition Education Events/Classes**
- 3. Physical Activity Promotion**
- 4. Food Stamp Promotion**
- 5. Literature/Materials/Audiovisuals**
- 6. Gardening**
- 7. Staff Training and Other Costs**
- 8. Policy Education**
- 9. Media Campaigns**
- 10. Nutrition Education Reinforcement Items (NERI)**
- 11. Food Demonstrations**
- 12. Medical Equipment and Health Services**
- 13. Equipment**
- 14. Space Allocations**
- 15. Profits/Revenues**

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All activities and materials must be targeted to persons participating in or eligible for the United States Department of Agriculture (USDA) Food Stamp Program or a target audience with at least 50 percent having household incomes of not higher than 185 percent of the Federal Poverty Level. For School Districts or organizations working with schools, over 50 percent of the students must be enrolled in the free and reduced price school meal program at each participating school site.

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1. Needs Assessments, Research and Evaluation	
<p>Consumer and intermediary/market research and pilot testing.</p> <p><i>Network</i> approved consultant services for needs assessments, research and evaluation activities.</p> <p>Conducting focus groups as an essential part of developing and testing targeted nutrition messages for the targeted low-income audience. Expenses (e.g., meals, child care, and transportation) that are considered necessary and reasonable for services provide as a focus group participant.</p> <p>Intercept surveys, key informant interviews, record audits, and community surveys.</p> <p>Telephone or mail surveys, purchase of questions for surveys.</p> <p>Formative research; process, impact, and outcome evaluation.</p>	<p>Payment to subjects for their participation in research/evaluation studies.</p> <p>Research that does not target Food Stamp recipients/applicants and other low-income persons.</p>

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2. Nutrition Education Events/Classes	
<p>Structured, interactive educational and promotional events in community settings. Classroom setting (salaries, space, equipment, materials) for food stamp recipients and similar low-income persons on nutrition related topics (e.g., food budgeting, preparation, safety). Primary purpose of class must be to provide nutrition education. If nutrition education is included with other topics, only that portion of class pertaining to nutrition education is an allowable cost.</p> <p>The <i>pro rata</i> share of costs of classes that are provided to targeted groups in conjunction with another program (e.g. WIC), provided the State agency describes the interagency agreement that exists between the programs, and the method for allocating costs between the programs.</p> <p>Promotion or marketing for the establishment of a Salad Bar Program or to support an existing Salad Bar Program.</p> <p>Programs must not supplant existing nutrition education activities. Where operating in conjunction with existing programs, the activities should enhance and/or supplement them. For example, the cost for a home economics teacher to conduct an extracurricular cooking club for low-income teenagers could be allowable, while using Food Stamp funds to replace costs of routine nutrition school classes would constitute inappropriate supplanting of ongoing school curricula.</p> <p>All activities that address the topic of breastfeeding must be planned and implemented in collaboration with WIC. Breastfeeding activities must supplement existing WIC activities.</p>	<p>Classes that are designed to provide case management or "life skills" training (e.g., parenting, child development, crisis management, rental information). Only that portion of the training related to nutrition education would be allowable.</p> <p>Physical activity/exercise classes, equipment, or facilities.</p> <p>Weight loss classes, individualized meal plans, obesity treatment programs, etc.</p> <p>Nutrition education costs that are charged to another Federal program (e.g., Team Nutrition, WIC, EFNEP, Head Start, etc.)</p> <p>Incentive payments for class attendance.</p> <p>Personal costs for recipients to attend nutrition education activities such as childcare and transportation services.</p> <p>Providing nutrition education classes in school sites that have less than 50 percent of their student populations eligible for free and reduced meals through the School Lunch Program.</p> <p>Implementation of salad bar programs (also see equipment).</p> <p>Personnel costs for staff to monitor students' food selections or other such activities within the realm of school food service.</p> <p>Clinical health screenings (i.e., cholesterol testing, body mass index and blood glucose testing, etc).</p> <p>Education provided to incarcerated or institutionalized persons that are not eligible for</p>

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	<p>the Food Stamp Program (i.e., persons in jails, prisons, nursing homes, mental institutions, etc.)</p> <p>Activities where the primary objective(s) is to conduct food stamp <u>outreach</u> efforts for the Food Stamp Program.</p>
3. Physical Activity Promotion	
<p>As a component of broader nutrition activities that educate about and promote physical activity, such as providing Food Stamp Program participants and similar low-income persons with information and encouragement to exercise.</p> <p>Purchase/development of educational materials promoting physical activity for program participants. All newly developed materials must have <i>Network</i> approval before final production.</p> <p>Physical activity education and promotion as part of nutrition education sessions in the Food Stamp Program may include provision of advice, demonstrations (instructional in nature, on a <u>one-time basis</u>), and community resource information, (such as a free local fitness event) in order to encourage program participants to engage in regular physical activity.</p> <p>Additional examples of acceptable physical activity promotion may include:</p> <ul style="list-style-type: none"> • Information on local sites where Food Stamp Program participants and other low-income persons can access a diverse range of low or no-cost activities appropriate for different ages and physical abilities. • Physical activity bulletin boards or displays around the food stamp offices, clinics or community. • Referral to library or web site resources. 	<p>Costs incurred for health club or gym memberships, dues, equipment, (such as bicycles, treadmills, stair steps, weights, etc.); facilities (rental or modifications); or exercise leaders for ongoing exercise classes.</p> <p>Physical activity supplies for class participants are not allowable except for instructor demonstrations.</p> <p>Physical activity educational materials developed without the <i>Network's</i> prior approval.</p>

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<ul style="list-style-type: none"> • Development and provision of information and resource lists to target audience. 	
4. Food Stamp Promotion	
<p><u>Promotion</u> Delivering a message that provides information on the availability, benefits, and application procedures for the Food Stamp Program (FSP), preferably with information on local application sites or contacts. Promotion must be conducted in the context of nutrition education (i.e. FSP should be referenced routinely in nutrition education activities and on materials as an important source of nutrition assistance to help low-income persons achieve a better diet). However, promotion should not be the primary objective, as nutrition education must consistently comprise the bulk of any intervention, or event. Promotional activities may not duplicate existing efforts funded through a State's Outreach Plan. Examples of FSP promotion activities include:</p> <ul style="list-style-type: none"> • Placing food stamp literature in sites patroned or visited by food stamp participants and comparable low-income households; • Distributing information in locations where low-income persons are known to gather, such as housing developments, WIC clinics, schools in low-income areas, English as Second Language classes, soup kitchens, community service providers, employers of low-wage workers, or other locations; All FSP information must be provided in conjunction with nutrition education; • Visiting and/or staffing booths at low-income eligible sites to promote the health benefits of participating in FSP, provide program information and answer questions; 	<p><u>Outreach</u> Any activity or set of activities in which the primary objective is to increase participation in Food Stamp Program (FSP) through individual applicant assistance, community-based outreach message dissemination, or facilitation of systemic changes in FSP that enhance program accessibility. Examples of activities allowable under FSP Outreach include:</p> <ul style="list-style-type: none"> • Pre-screening or assisting individuals with completing FSP applications and obtaining verification; • Accompanying individuals to the FSP office to assist with the application process; • Conducting outreach workshops for members of community organizations that serve low-income people; • Convening meetings that focus exclusively or primarily on FSP Outreach and increasing FSP participation; • Reimbursing the mileage for outreach training or meeting attendance; • Producing and distributing print materials that are primarily FSP outreach in nature (e.g. brochures, posters) • Developing and placing print, radio, television media advertisements to be used as public service announcements to educate potential applicants about FSP; • Designing an FSP Outreach program, including the development, publication, and distribution of materials to the community; • Building FSP promotion/outreach teams, steering committees, coalitions, etc. and providing FSP outreach guidance to other

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<ul style="list-style-type: none"> • Convening meetings that include some FSP promotion information sharing and strategizing, but focus predominately on nutrition education efforts; • Producing and distributing brochures and posters that are primarily nutrition education in nature, but that contain a food stamp promotional message; • Producing and placing radio, television, or print media spots that are primarily nutrition education in nature, but that contain a food stamp promotional message; • Supporting nutrition policies with a food security component, which may also include aspects of promoting the benefits of FSP participation. 	<p>State and local organizations;</p> <ul style="list-style-type: none"> • Working with local agencies to plan and implement FSP Outreach and Program Access strategies, as well as monitoring and/or evaluating agencies' outreach performance.
<p><i>Note: Food Stamp Outreach activities are allowable only for pilot project Non Profit Incentive Award California Association of Food Banks and those participating food banks</i></p>	
<p>5. Literature/Materials/Audiovisuals</p>	
<p>Fact sheets, brochures, newsletters, and calendars, etc., that are produced for distribution to food stamp recipients/applicants and similar persons about nutrition topics such as food choices, food budgeting and food preparation.</p> <p>The purchase of USDA nutrition education/promotion materials that address Food Stamp Nutrition Education topics that is for use with Food Stamp Program participants.</p> <p>The production of nutrition education materials, for which there is no other existing comparable material, that support the State's goals and objectives for Food Stamp Nutrition Education and will be distributed to Food Stamp Program participants.</p> <p>Videos and websites targeted to low-income populations about nutrition education and related topics.</p>	<p>Any nutrition education literature paid for by another federal or private program or source.</p> <p>Any material that endorses or promotes brand name products or retail stores.</p> <p>Paying for manufacturer's or store (cents off) coupons.</p> <p>Influencing a store's pricing policy.</p> <p>Materials that do not give attribution to the Food Stamp Nutrition Education Program.</p> <p>Any audiovisual paid-in-full by a private third party or source and any audiovisual that endorses or promotes brand name products or retail stores.</p>

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Materials targeted to intermediaries who deliver services to low-income persons.	
6. Gardening	
Only educational supplies, curricula and staff salaries to teach gardening concepts as part of nutrition education efforts that reinforce the beneficial nutrition aspects of gardening.	<p>The cost for the rental or purchase of garden equipment (fertilizer, tractors), the purchase or rental of land for garden plots, seeds, plants, and other gardening supplies are not allowable costs.</p> <p>Costs associated with creating and maintaining school learning gardens.</p>
7. Staff Training and Other Costs	
<p>Training (including travel expenses) for staff partners related to using social marketing approaches for nutrition education to Food Stamp applicants/recipients, and similar low-income groups.</p> <p>Participation in regional or state coalitions such as Network collaboratives, 5 a Day, CCLHDN, etc.</p> <p>Nutrition education training materials.</p> <p>General briefings to community health care providers about Food Stamp Program nutrition education in the community.</p> <p>Reimbursement for personal costs (such as meals, child care and transportation) for recipients of the Food Stamp Nutrition Education Program to <u>actively participate</u> in focus groups needs assessments, and advisory groups to inform and improve nutrition education effectiveness.</p>	<p>University level courses on technical or clinical subjects that are not relevant to the practical delivery of nutrition education to the target audience.</p> <p>Costs of training materials that have not been reviewed/approved for use in Food Stamp Nutrition Education.</p>
8. Policy Education	
<p>Testimony invited by a legislative or administrative body.</p> <p>Testimony at public hearings, “conversations”, town halls and other fact-</p>	Any activity or material to lobby or influence Federal, State, or local officials to pass or sign legislation or to influence the outcomes of an election, referendum, or initiative.

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<p>finding forums regularly convened by the executive branch of government.</p> <p>Responding to or meeting with a member of Congress or a State legislature for a factual, technical or educational presentation.</p> <p>Working with non-profit and business entities to formulate policies, systems, and environmental changes that promote healthy eating, physical activity, or the use of federal nutrition assistance programs in their organization or with their stakeholders.</p> <p>Provider information or technical assistance informs the public and the stakeholders about policy issues. Preparation of fact sheets and new program concepts about policy options.</p>	<p>Sponsoring or convening meetings designed to draft legislation or discuss developing legislative proposals.</p> <p>Initiating a letter-writing campaign to influence a Congressional or legislative vote.</p> <p>Paying an individual to influence or attempt to influence any Member of Congress, or any officer or employee of a Member of Congress.</p> <p>Paying an individual to influence or attempt to influence any officer or employee of an agency in connection with awarding, renewing, or modifying a Federal contract.</p>
9. Media Campaigns	
<p>Paid or public service radio and television commercials for low-income persons</p> <p>Advertisements promoting healthy eating directed toward low-income households within the community.</p> <p>Media appearances, interviews, preparations of press releases and press kits, training of spokespersons, announcements publicizing community events or resources for low-income persons.</p>	<p>Media campaigns to promote or present nutritional messages to the general public, which are not targeted to low-income or to the food stamp eligible population.</p> <p>Creating media campaigns that make derogatory statements about a particular food, beverage, commodity, or food industry.</p>
10. Nutrition Education Reinforcement Items (NERI)	
<p>Nutrition education reinforcement items are allowable costs only if they are deemed reasonable and necessary, contain a nutrition message, and are of nominal value (\$4 or less per item).</p>	<p>Purchase of nutrition education reinforcement items that do not contain nutrition messages</p> <p>Distribution of nutrition education reinforcement items with an individual cost of over \$4.</p>

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<p>Examples of allowable reinforcement items are those that convey nutrition and cues to action, education messages, such as refrigerator magnets picturing the Food Guide Pyramid, note pads, cooking items, (e.g., measuring cups, cutting mats, etc.) or other items of nominal value which reinforce an important nutrition behavior.</p>	
11. Food Demonstrations	
<p>Cost of food for recipe/taste testing purposes that promotes healthy food (especially fruits and vegetables).</p> <p>Cost of kitchen equipment and dishes necessary for food storage, preparation and display of food prepared for demonstration purposes.</p> <p>Equipment costs must be prorated to reflect the food stamp nutrition education portion only, if other programs or projects use the equipment.</p> <p>Cost for food samples associated with a nutrition education lesson.</p>	<p>Distributing or providing meals or snacks to participants, which are given for attendance. Also, incentive payments to encourage attendance at nutrition education classes or focus groups.</p> <p>Use of staff time to prepare or serve meals or developing food or produce displays.</p> <p>Snacks, meals, or food/fruit for display purposes</p> <p>Ongoing snack or food service.</p> <p>Meal size portions or complete meal service.</p> <p>Providing “training table” meals.</p> <p>Cost of food provided as groceries or supplemental food.</p>
12. Medical Equipment and Health Services	
<p>Salaries and benefits of personnel to collect dietary intake data based on a 24 hour recall, food frequency questionnaires, or other assessment of nutrition knowledge and behaviors.</p>	<p>Medical equipment or health services related to health assessment of recipients; obtaining data on nutritional status, chronic disease, or chronic disease risk assessments. This includes obesity prevention and/or weight management programs, which are billable to MediCal or other medical insurance.</p> <p>Costs associated with the measurement of height, weight, skin fold thickness, blood pressure, cholesterol, blood-glucose and iron levels.</p>

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	<p>Clinical health screenings (i.e., cholesterol testing, body mass index and blood glucose testing, etc).</p> <p>Medical Equipment. (e.g., scales, sphygmomanometer, skinfold calipers, glucometer).</p> <p>Medical nutrition therapy involves the assessment of nutritional status and the assignment of diet, counseling, and/or specialized nutrition therapies to treat an individual's illness or condition.</p>
13. Equipment	
<p>Purchase of office or electronic equipment (such as computers TV, VCR, cameras, etc). All equipment must be reasonable, necessary and integral to the nutrition education activity. If the equipment is also being used to support other activities, the costs must be prorated. Equipment purchased with State Share funds may be returned to the State at the request of the <i>Network</i> if the project is terminated or the Contractor no longer participates in the <i>Network</i>.</p> <p>A public organization may donate equipment and use fair market value; however, any fair market value must be adjusted to reflect equipment provided by federal funding. (Multiplying the fair market value times the percentage share invested in the equipment may factor this value.)</p> <p>Purchase of one demonstration unit per project or one salad bar per contract for educators to checkout for nutrition education.</p>	<p>Electronic or office equipment that exceeds prior approval thresholds (i.e., \$5,000) unless such prior approval is received from the <i>Network</i>.</p> <p>Purchasing salad bar equipment for use in salad bar programs.</p>

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14. Space Allocations	
Space allocated for nutrition education programs in which the plan for the space/cost allocation is documented and actual out-of-pocket costs are incurred and tracked.	<p>Local Share charges for space that is donated by a private third party or <u>public entity</u>, or costs that are fully funded by another program (e.g., USDA, WIC and EFNEP programs). For publicly owned space, amounts claimed under “rent” must represent actual costs of ownership and/or maintenance for the property, NOT the “fair market value” if the space were rented on the open market. For example, if a county or school district donated space to a program to use in the conduct of eligible nutrition education, and the county or school district were not incurring any ownership or maintenance costs for that space, no “fair market value” may be assigned to that space for the purposes of determining Local Share contributions.</p> <p>Commercial rental rates cannot be used for government owned space.</p>
15. Profits/Revenues	
Sale of publications/materials produced with USDA dollars <u>at cost</u> .	Sale of publications/materials produced with USDA dollars to make a profit without prior approval from the <i>Network</i> .